



CENTRAL INTELLIGENCE AGENCY

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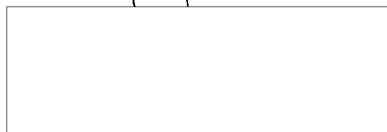
2 FEB 1988

TO: OFFICE OF MANAGEMENT & BUDGET
Legislative Reference Division
Washington, D.C. 20503
Attention: Annette Rooney

OCA 88-0306

Annette: Enclosed is the Director's testimony.

He has not, at this point, reviewed the testimony, but I will contact you with any changes he may have later today.



Enclosure

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1 - OCA/Registry

1 - DMP/Signer

1 - OCA/Leg/Subject:

Congress/Overst

OCA/Leg/ [Redacted] pap (2 Feb 1988) STAT

FORM 2-86 **1533** OBSOLETE PREVIOUS EDITIONS.

(40)

STATEMENT OF THE
DIRECTOR OF CENTRAL INTELLIGENCE
BEFORE THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE
HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1988

MR. CHAIRMAN AND MEMBERS OF THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE, I AM PLEASED TO BE HERE TODAY TO SHARE SOME OF MY THOUGHTS ON H.R. 3822, THE INTELLIGENCE OVERSIGHT ACT OF 1987. THE VIEWS EXPRESSED IN THIS STATEMENT ALSO REFLECT THE POSITION OF THE ADMINISTRATION WITH RESPECT TO THE ISSUES MY STATEMENT ADDRESSES. OTHER ADMINISTRATION WITNESSES HAVE DISCUSSED, OR WILL DO SO, THE SIGNIFICANT CONSTITUTIONAL PROBLEMS THIS BILL RAISES AS WELL AS THE IMPACT IT MAY HAVE ON THE ACTIVITIES AND PROGRAMS OF OTHER AGENCIES.

THE BILL BEING CONSIDERED BY THE COMMITTEE TODAY IS SIMILAR IN MANY RESPECTS TO A BILL REPORTED OUT OF THE SENATE INTELLIGENCE COMMITTEE LAST MONTH. DURING ITS CONSIDERATION OF THAT BILL, THE SENATE INTELLIGENCE COMMITTEE INVITED ME TO PROVIDE MY VIEWS. I TESTIFIED AT THAT TIME ON TWO ISSUES: WHETHER LEGISLATION WAS NECESSARY; AND WHAT PRACTICAL IMPACT THE SENATE BILL WOULD HAVE ON THE INTELLIGENCE COMMUNITY. I INTEND TO ADDRESS BOTH POINTS IN MY TESTIMONY TODAY ON THE HOUSE BILL.

THE NEED FOR LEGISLATION

AS YOU ARE PROBABLY NOW AWARE, IN MY REMARKS BEFORE THE SENATE INTELLIGENCE COMMITTEE I QUESTIONED THE NEED FOR THIS

TYPE OF LEGISLATION. ALTHOUGH THE SENATE INTELLIGENCE COMMITTEE SUBSEQUENTLY DECIDED TO RECOMMEND APPROVAL OF THE LEGISLATION, I STILL STRONGLY DOUBT THAT THIS LEGISLATION IS A NECESSARY RESPONSE TO THE CONCERNS MEMBERS OF CONGRESS HAVE EXPRESSED ABOUT THE OVERSIGHT OF SPECIAL ACTIVITIES. AS YOU KNOW, THE PRESIDENT RECOGNIZED LAST SPRING THAT THERE WAS ROOM FOR IMPROVEMENT IN THE WAY THE TWO BRANCHES WERE MEETING THEIR RESPONSIBILITIES, AND HE TOOK CONCRETE, SUBSTANTIAL STEPS TO ESTABLISH IMPROVED PROCEDURES TO ENSURE THAT CONGRESS IS GIVEN THE OPPORTUNITY TO PLAY ITS APPROPRIATE OVERSIGHT ROLE. THESE NEW PROCEDURES IN THE FORM OF A NEW NATIONAL SECURITY DECISION DIRECTIVE [REDACTED] WHICH THIS COMMITTEE HAS HAD FOR REVIEW IN FULL AND MUCH OF WHICH WAS RECENTLY DECLASSIFIED, CLARIFY THE RULES BY WHICH SPECIAL ACTIVITIES ARE REVIEWED, APPROVED, AND REPORTED TO CONGRESS. IN FACT, MANY OF THE PROPOSALS CONTAINED IN H.R. 3822 ARE ALREADY CONTAINED [REDACTED] THAT IS NOT SURPRISING, BECAUSE THE PROCEDURES THE PRESIDENT HAS INSTALLED WERE DEVELOPED FOLLOWING CLOSE AND PROLONGED CONSULTATION WITH MEMBERS AND STAFFS OF THE INTELLIGENCE COMMITTEES.

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WHILE A PRESIDENTIAL DIRECTIVE IS NOT THE SAME AS LEGISLATION, I AM NOT PERSUADED THAT NEW LEGISLATION AT THIS TIME IS THE BEST WAY TO ADDRESS THE CONCERNS THAT MEMBERS HAVE

WITH THE CONGRESSIONAL ROLE REGARDING SPECIAL ACTIVITIES. IN MY VIEW, A LEGISLATIVE REMEDY SHOULD BE EMPLOYED ONLY IF IT IS CLEAR THAT THERE IS A BASIC DEFICIENCY IN THE OVERSIGHT PROCESS. THAT IS DOUBLY THE CASE WHEN THE LEGISLATIVE REMEDY PROPOSED RAISES CONSTITUTIONAL ISSUES WHICH THREATEN TO DIVIDE THE TWO BRANCHES IN AN AREA WHERE EFFECTIVE WORK PLACES A PREMIUM ON COOPERATION.

THE IRAN/CONTRA MATTER, WHILE EXTREMELY SERIOUS, HAS NOT IN MY VIEW DEMONSTRATED THAT THE SYSTEM OF CONGRESSIONAL OVERSIGHT OF THE INTELLIGENCE COMMUNITY ESTABLISHED UNDER CURRENT STATUTES IS SERIOUSLY FLAWED. MANY OF THE PROBLEMS EXPOSED IN CONNECTION WITH THAT UNFORTUNATE PERIOD WERE THE RESULT OF OFFICIALS FAILING TO FOLLOW EXISTING PROCEDURES AND RULES. AS THE COMMITTEE IS AWARE, I HAVE TAKEN STEPS WITHIN THE CIA TO DISCIPLINE THOSE EMPLOYEES WHO FAILED TO FOLLOW CIA PROCEDURES AND MEET THE STANDARDS OF CONDUCT EXPECTED OF CIA EMPLOYEES OR WHO TESTIFIED TO CONGRESS IN A MANNER THAT WAS NOT CANDID OR FORTHCOMING. THOSE ACTIONS, TAKEN IN LIGHT OF THE REQUIREMENTS DEFINED BY CURRENT STATUTE, IN MY VIEW HAVE ADEQUATELY ADDRESSED THE PROBLEMS WE FOUND. SIMILARLY, TO THE EXTENT THAT THERE WERE ANY PROCEDURAL SHORTCOMINGS DEMONSTRATED BY THE IRAN/CONTRA MATTER, THEY HAVE ALREADY BEEN ADDRESSED BY THE NEW PRESIDENTIAL DIRECTIVE WITHIN THE PRESENT STATUTORY FRAMEWORK.

IF THE COMMITTEE DECIDES TO PROCEED WITH LEGISLATION, THE LEGISLATION HAS TO BE DRAFTED IN SUCH A WAY THAT IT WILL NOT ADVERSELY AFFECT THE INTELLIGENCE COMMUNITY'S ABILITY TO DO ITS JOB. IN THIS CONNECTION, MR. CHAIRMAN, THE BILL YOU INTRODUCED, AND THE BILL REPORTED OUT OF THE SENATE INTELLIGENCE COMMITTEE, HAVE SOUGHT TO ADDRESS CONSTRUCTIVELY SOME OF THE IMPORTANT CONCERNS I AND OTHER ADMINISTRATION OFFICIALS RAISED BEFORE THE SENATE INTELLIGENCE COMMITTEE WHEN IT CONSIDERED ITS ORIGINAL BILL. THAT BILL, FOR EXAMPLE, RECOGNIZES THE NEED TO REPORT ON SPECIAL ACTIVITIES AND INTELLIGENCE COLLECTION IN A MANNER CONSISTENT WITH DUE REGARD FOR THE PROTECTION OF SENSITIVE INTELLIGENCE SOURCES AND METHODS. I AM ALSO PLEASED THAT NEITHER THE HOUSE NOR THE SENATE BILLS REQUIRE THAT THE FINDING SPECIFY THE IDENTITY OF FOREIGN COUNTRIES ASSISTING THE AGENCY IN THE CONDUCT OF SPECIAL ACTIVITIES. THE PROVISIO ON PROTECTION OF SOURCES AND METHODS, AND THE ABILITY TO PROTECT THE IDENTITY OF FOREIGN COUNTRIES ASSISTING US WILL GO A LONG WAY IN ASSURING FRIENDLY SERVICES AND POTENTIAL AGENTS THAT SOURCE IDENTIFYING INFORMATION WILL NOT BE WIDELY DISSEMINATED AND POSSIBLY COMPROMISED.

PRIOR NOTICE OF SPECIAL ACTIVITIES

WHILE THE HOUSE BILL ADDRESSES SEVERAL CONCERNS PREVIOUSLY RAISED IN MY TESTIMONY BEFORE THE SENATE INTELLIGENCE COMMITTEE, THERE ARE FOUR AREAS OF THE BILL THAT ARE TROUBLESOME. THE FIRST AREA OF DIFFICULTY INVOLVES THE PROVISION OF THE BILL THAT REQUIRES NOTIFICATION OF A SPECIAL ACTIVITY TO CONGRESS, WITHOUT EXCEPTION, WITHIN 48 HOURS AFTER THE SIGNING OF A FINDING. LAST SUMMER YOU RECEIVED THE VIEWS OF THE DEPARTMENT OF JUSTICE ABOUT THE CONSTITUTIONALITY OF SUCH A PROVISION, SO I WILL NOT ADDRESS THAT ISSUE HERE. I HAVE TWO CONCERNS ABOUT THIS PROVISION. FIRST, THE FACT THAT THERE IS A SHARP DIFFERENCE OF INTERPRETATION BETWEEN THE VIEW OF THE DEPARTMENT OF JUSTICE AND THE POSITION EMBODIED IN THIS BILL REGARDING THIS PROVISION'S CONSTITUTIONAL VALIDITY WILL PROMOTE TENSION BETWEEN THE EXECUTIVE AND LEGISLATIVE BRANCHES FOR YEARS TO COME. IN THE INTELLIGENCE AREA SUCH TENSION HAS THE POTENTIAL TO DISRUPT THE KIND OF COOPERATION AND TRUST EFFECTIVE NATIONAL POLICY REQUIRES. SECOND, I BELIEVE THAT SOME ALLOWANCE MUST BE MADE FOR THAT RARE CASE WHERE A LIMITED DELAY IN CONGRESSIONAL NOTIFICATION IS CRITICAL TO PRESERVE THE ABSOLUTE SECURITY OF AN OPERATION WHEN, FOR EXAMPLE, LIVES ARE AT STAKE. FURTHERMORE, IT IS WORTHWHILE TO NOTE THAT ANY CONCERNS ABOUT EXCESSIVE DELAY IN CONGRESSIONAL NOTIFICATION OF

A SPECIAL ACTIVITY HAVE ALREADY BEEN ADDRESSED BY NSDD 286. THAT DIRECTIVE REQUIRES THE NATIONAL SECURITY PLANNING GROUP TO REEVALUATE AT LEAST EVERY 10 DAYS A DECISION TO DELAY CONGRESSIONAL NOTIFICATION OF A GIVEN FINDING. THIS WILL ENSURE THAT WHEN A DELAY IN NOTIFICATION IS NECESSARY, THE REASON FOR THAT DECISION WILL BE CONTINUALLY REASSESSED SO THAT THE DELAY WILL BE AS SHORT AS POSSIBLE. I REPEAT, HOWEVER, THAT I CAN THINK OF FEW CIRCUMSTANCES THAT WOULD EVER NECESSITATE SUCH EXTRAORDINARY STEPS.

SPECIAL ACTIVITIES DEFINITION

MY SECOND AREA OF CONCERN IS WITH THE DEFINITION OF "SPECIAL ACTIVITIES." THIS TERM IS USED TO DESCRIBE COVERT ACTION OPERATIONS. THERE CURRENTLY IS NO DEFINITION OF THE TERM "SPECIAL ACTIVITIES" IN THE LAW. THE BILL CREATES A SPECIAL ACTIVITIES DEFINITION, BUT SINGLES OUT AND APPLIES TO CIA A STANDARD THAT IS DIFFERENT FROM THAT APPLIED TO ALL OTHER DEPARTMENTS AND AGENCIES OF THE U.S. GOVERNMENT. FOR CIA, THE BILL DEFINES A SPECIAL ACTIVITY TO COVER ANY OPERATION IN A FOREIGN COUNTRY OTHER THAN ACTIVITIES INTENDED SOLELY FOR OBTAINING NECESSARY INTELLIGENCE. THIS DEFINITION IS THE SAME AS THAT SET FORTH IN THE HUGHES/RYAN AMENDMENT (22 U.S.C §2422) WHICH PROVIDES THE EXISTING STATUTORY FRAMEWORK FOR DETERMINING WHETHER AN ACTIVITY OF THE CIA IN A FOREIGN COUNTRY REQUIRES A FINDING. BY CONTRAST, FOR ALL OTHER DEPARTMENTS AND AGENCIES,

A SPECIAL ACTIVITY IS DESCRIBED AS ANY ACTIVITY CONDUCTED IN SUPPORT OF A NATIONAL FOREIGN POLICY OBJECTIVE ABROAD WHICH IS PLANNED AND EXECUTED SO THAT THE ROLE OF THE U.S. GOVERNMENT IS NOT APPARENT OR ACKNOWLEDGED PUBLICLY, AND FUNCTIONS IN SUPPORT OF SUCH ACTIVITY, BUT DOES NOT INCLUDE ACTIVITIES TO COLLECT NECESSARY INTELLIGENCE, OR DIPLOMATIC ACTIVITIES CARRIED OUT BY THE DEPARTMENT OF STATE OR PERSONS OTHERWISE ACTING PURSUANT TO THE AUTHORITY OF THE PRESIDENT. THIS DEFINITION IS SIMILAR TO THAT SET FORTH IN SECTION 3.4(H) OF EXECUTIVE ORDER 12333, ISSUED BY PRESIDENT REAGAN ON DECEMBER 4, 1981.

I UNDERSTAND THAT IN CRAFTING THESE DEFINITIONS OF SPECIAL ACTIVITIES IN THE BILL, IT WAS NOT YOUR INTENTION, MR. CHAIRMAN, TO CHANGE IN ANY WAY THE CURRENT STANDARD BY WHICH CIA DETERMINES WHETHER TO OBTAIN A FINDING TO AUTHORIZE A PARTICULAR ACTIVITY. UNFORTUNATELY, MR. CHAIRMAN, MY GENERAL COUNSEL, RUSSELL BRUEMMER, WHO IS SEATED BEHIND ME, HAS ADVISED ME THAT THIS DEFINITION, IF ADOPTED, MAY CAUSE CONFUSION ABOUT THE STANDARD USED TO DETERMINE WHETHER A FINDING IS NECESSARY TO AUTHORIZE AN ACTIVITY. WE HAVE ALSO REQUESTED THE DEPARTMENT OF JUSTICE TO EXAMINE THIS ISSUE, AND THEY HAVE REACHED A SIMILAR CONCLUSION.

THE PROPOSED DEFINITION OF SPECIAL ACTIVITIES IN THE BILL

COULD ALTER CURRENT PRACTICE BECAUSE THE EXECUTIVE BRANCH, AS THE COMMITTEE KNOWS, HAS INTERPRETED THE HUGHES/RYAN AMENDMENT NOT IN A LITERAL MANNER THAT APPLIES THOSE WORDS IN THEIR MOST RESTRICTIVE SENSE, BUT IN A MANNER THAT WE BELIEVE IS CONSISTENT WITH THE LEGISLATIVE INTENT IN THAT STATUTE. THE HUGHES/RYAN AMENDMENT, IF GIVEN A RESTRICTIVE, LITERAL INTERPRETATION, WOULD REQUIRE PRESIDENTIAL AUTHORIZATION FOR EVEN THE MOST MINOR OR ROUTINE ACTIVITIES OF THE CIA OVERSEAS IF THEY WERE NOT RELATED SOLELY TO INTELLIGENCE COLLECTION. IN MY JUDGMENT, THAT WAS NEVER THE INTENT OF CONGRESS IN ENACTING HUGHES/RYAN.

THE LEGISLATIVE HISTORY TO HUGHES/RYAN AND THE OVERSIGHT ACT OF 1980, CONTEMPLATE A FINDING FOR THOSE ACTIVITIES THAT TRULY CAN BE CONSIDERED COVERT ACTION OPERATIONS. IN THIS CONNECTION, THE DEFINITION OF SPECIAL ACTIVITIES CONTAINED IN THE EXECUTIVE ORDER GIVES MEANING TO THE LANGUAGE AND INTENT OF THE HUGHES/RYAN AMENDMENT IN DETERMINING WHETHER THAT LAW WOULD REQUIRE A FINDING TO AUTHORIZE A PARTICULAR ACTIVITY.

ENACTING H.R. 3822 AS DRAFTED WOULD MAKE IT EXTREMELY DIFFICULT TO CONTINUE SUCH AN INTERPRETATION BECAUSE THE EXECUTIVE ORDER DEFINITION WOULD BY TERMS OF THE STATUTE NOT APPLY TO CIA. THE CLEAR IMPLICATION WOULD BE THAT CONGRESS

INTENDS THAT THE LANGUAGE OF HUGHES/RYAN BE GIVEN A MORE RESTRICTIVE INTERPRETATION.

THIS COULD BE CONSTRUED TO MEAN THE FOLLOWING TYPES OF ACTIVITIES, FOR WHICH FINDINGS ARE NOT OBTAINED TODAY, WOULD HENCEFORTH REQUIRE SPECIFIC PRESIDENTIAL AUTHORIZATION IN EVERY CASE NO MATTER HOW MINOR THE CIA ROLE:

- O COUNTERINTELLIGENCE ACTIVITIES.
- O SUPPORT GIVEN TO THE DEPARTMENT OF STATE IN THE CONDUCT OF DIPLOMATIC ACTIVITIES. THIS WOULD INCLUDE, FOR EXAMPLE, HAVING THE CHIEF OF STATION PRESENT THE U.S. GOVERNMENT POSITION ON A PARTICULAR MATTER TO THE FOREIGN MINISTER BECAUSE OF HIS CLOSE RELATIONSHIP WITH THE FOREIGN MINISTER, OR ARRANGING FOR SECURE TRANSPORTATION OR A MEETING SITE FOR AN AMBASSADOR OR DIPLOMATIC OFFICIAL.
- O MINOR SUPPORT TO THE DEPARTMENT OF DEFENSE OR DEPARTMENT OF STATE IN THE EVACUATION OF AMERICANS FROM FOREIGN COUNTRIES.
- O MINOR SUPPORT PROVIDED TO THE DoD AND OTHER AGENCIES THROUGH THE PURCHASE OF EQUIPMENT OR THE PROVISION OF SERVICES UNDER THE ECONOMY ACT.

IF WE ARE IN AGREEMENT NOT TO ALTER THE CURRENT PRACTICE WITHIN CIA ON WHETHER TO OBTAIN A PRESIDENTIAL FINDING TO GOVERN A PARTICULAR ACTIVITY, I WOULD URGE THE COMMITTEE TO MODIFY THE DEFINITION OF SPECIAL ACTIVITIES CONTAINED IN THE BILL. ONE APPROACH WOULD BE TO REPEAL THE HUGHES/RYAN DEFINITION AND USE THE EXECUTIVE ORDER DEFINITION OF SPECIAL ACTIVITIES TO COVER EVERY DEPARTMENT OR AGENCY, INCLUDING CIA. THERE ARE OTHER POSSIBLE WAYS TO RESOLVE OUR CONCERN, AND I HAVE INSTRUCTED MY STAFF TO WORK WITH THE COMMITTEE TO COME UP WITH MUTUALLY ACCEPTABLE LANGUAGE. THE KEY, AGAIN, I THINK WE CAN AGREE, IS FORMULATING LANGUAGE THAT WILL MAINTAIN THE STATUS QUO. I MUST ADD AS A FINAL NOTE, MOREOVER, THAT THE DEFINITION PROPOSED IN THE BILL TODAY, AS WELL AS THAT IN THE SENATE BILL, ARE DIFFERENT FROM THAT WHICH I ADDRESSED WHEN I TESTIFIED BEFORE THE SENATE INTELLIGENCE COMMITTEE. FOR THAT REASON, I DID NOT HAVE THE OPPORTUNITY TO EXPRESS THESE CONCERNS AT THE TIME OF MY PREVIOUS TESTIMONY.

FUNDING OF INTELLIGENCE ACTIVITIES

MY THIRD AREA OF SPECIFIC CONCERN IS WITH SECTION 4 OF THE BILL, WHICH AMENDS SECTION 502 OF THE NATIONAL SECURITY ACT OF 1947. SECTION 502(A) OF THE NATIONAL SECURITY ACT LIMITS THE USE OF APPROPRIATED FUNDS. CURRENTLY, APPROPRIATED FUNDS

AVAILABLE TO AN INTELLIGENCE AGENCY MAY BE SPENT ONLY IF (1) FUNDING FOR THE ACTIVITY HAS BEEN AUTHORIZED BY CONGRESS; (2) IN THE CASE OF RELEASE FROM THE RESERVE FOR CONTINGENCIES, PRIOR NOTICE OF THE RELEASE OF SUCH FUNDS IS GIVEN TO THE INTELLIGENCE AND APPROPRIATIONS COMMITTEES; OR (3) IN THE CASE OF REPROGRAMMINGS OR TRANSFERS, THE ACTIVITY TO BE FUNDED IS A HIGHER PRIORITY INTELLIGENCE ACTIVITY, THE NEED FOR FUNDS FOR SUCH ACTIVITY IS BASED ON UNFORSEEN REQUIREMENTS, AND NOTICE IS GIVEN TO THE INTELLIGENCE AND APPROPRIATION COMMITTEES OF THE INTENT TO MAKE FUNDS AVAILABLE FOR THE ACTIVITY. THE BILL WOULD AMEND SECTION 502(A) OF THE NATIONAL SECURITY ACT TO RESTRICT EXPENDITURE OF ALL FUNDS, AND NOT JUST APPROPRIATED FUNDS. I AM CONCERNED THAT THIS AMENDMENT WOULD JEOPARDIZE OUR AUTHORITY TO CONDUCT CERTAIN ACTIVITIES WHICH CONGRESS HAS SUPPORTED IN THE PAST. SPECIFICALLY, THE AMENDMENT WOULD RESTRICT OUR ABILITY TO USE INCOME GENERATED BY PROPRIETARIES FOR CERTAIN EXPENSES NECESSARY TO MAKE THE PROPRIETARY APPEAR AS A COMMERCIAL ENTITY. THIS WOULD MAKE IT EXTREMELY DIFFICULT TO OPERATE OUR PROPRIETARIES IN A SECURE MANNER. THE AMENDMENT WOULD ALSO ELIMINATE OUR AUTHORITY TO MAKE CERTAIN ACCOMMODATION PURCHASES FOR OTHER COUNTRIES. FINALLY, THE AMENDMENT WOULD ELIMINATE OUR AUTHORITY TO RECEIVE FUNDS DONATED BY OTHER COUNTRIES TO FINANCE SPECIAL ACTIVITIES FOR WHICH A FINDING HAS BEEN OBTAINED. I SHOULD EMPHASIZE THAT I

HAVE NO OBJECTION TO KEEPING THE COMMITTEE GENERALLY INFORMED OF OUR ACTIVITIES IN THESE THREE AREAS. HOWEVER, THERE HAS BEEN NO STATED RATIONALE FOR THE NEED FOR THIS CHANGE, AND IN MY VIEW ADOPTION OF THIS PROVISION WOULD HAVE A VERY SERIOUS AND DETRIMENTAL EFFECT ON OUR CONTINUING ABILITY TO CONDUCT SPECIAL ACTIVITIES, LIAISON ACTIVITIES WITH FOREIGN GOVERNMENTS, AND OPERATIONS OF PROPRIETARIES.

TRANSFER OF DEFENSE ARTICLES AND SERVICES

THE FOURTH AREA OF CONCERN IS WITH THE PROVISION OF THE BILL AMENDING SECTION 503 OF THE NATIONAL SECURITY ACT, WHICH CURRENTLY PROVIDES FOR THE REPORTING TO THE INTELLIGENCE COMMITTEES OF THE TRANSFER OF DEFENSE ARTICLES OR SERVICES IN EXCESS OF \$1,000,000 BY AN INTELLIGENCE AGENCY. THE SECTION WOULD BE AMENDED TO REQUIRE THE REPORTING OF DEFENSE ARTICLES OR SERVICES WHICH ARE INDIVIDUALLY WORTH LESS THAN \$1,000,000 BUT WHICH AGGREGATE TO A FIGURE MORE THAN \$1,000,000. I DO NOT BELIEVE IT IS NECESSARY TO CHANGE THE CURRENT STANDARD FOR REPORTING THE TRANSFER OF DEFENSE ARTICLES AND SERVICES. FURTHERMORE, I NOTE THAT THE PROVISION DOES NOT PROVIDE STANDARDS TO DETERMINE WHEN DEFENSE ARTICLES OR SERVICES SHOULD BE AGGREGATED. ACCORDINGLY, IF THIS PROVISION REMAINS IN THE

BILL IN ITS CURRENT FORM, I WOULD URGE THE COMMITTEE TO CONSIDER STATUTORY LANGUAGE OR LEGISLATIVE HISTORY THAT WOULD PROVIDE CLEAR GUIDANCE ON HOW THE INTELLIGENCE COMMUNITY SHOULD AGGREGATE DEFENSE ARTICLES OR SERVICES FOR PURPOSES OF REPORTING TO THE INTELLIGENCE COMMITTEES.

THERE ALSO ARE SEVERAL OTHER PROVISIONS IN THE BILL THAT, WHILE NOT AS WORRISOME AS THE ONES I HAVE TOUCHED ON, WOULD AS WRITTEN POSE PROBLEMS FOR THE INTELLIGENCE COMMUNITY. MY STAFF HAS ALREADY HAD USEFUL DISCUSSIONS WITH THE COMMITTEE STAFF ON THESE PROVISIONS.

IN CLOSING, I WOULD LIKE TO REEMPHASIZE TO EACH OF YOU MY PERSONAL COMMITMENT TO MAKING THE OVERSIGHT PROCESS WORK. IT HAS ALWAYS BEEN CLEAR, AND RECENT EXPERIENCE HAS AGAIN DEMONSTRATED, THAT THE IMPLEMENTATION OF THE FOREIGN POLICY OF OUR GOVERNMENT, INCLUDING SPECIAL ACTIVITIES, CAN ONLY BE SUCCESSFUL WHEN THE EXECUTIVE AND LEGISLATIVE BRANCHES OF GOVERNMENT WORK TOGETHER IN AN ATMOSPHERE OF MUTUAL RESPECT AND TRUST. THIS SPIRIT OF COOPERATION CAN ONLY OCCUR IF THE INTELLIGENCE COMMITTEES RECEIVE THE APPROPRIATE INFORMATION NEEDED TO REVIEW AND MAKE INFORMED JUDGMENTS ON SPECIAL ACTIVITIES, WHILE AT THE SAME TIME ENSURING THAT THIS INFORMATION IS PROTECTED FROM UNAUTHORIZED DISCLOSURE. AS I

HAVE NOTED, THE PRESIDENT HAS TAKEN CORRECTIVE STEPS TO IMPROVE THE OVERSIGHT SYSTEM THROUGH A PRESIDENTIAL DIRECTIVE. AT CIA, I HAVE APPROVED A NUMBER OF MEASURES WHICH WILL HELP TO PREVENT A REPETITION OF THE SHORTCOMINGS IN THE AGENCY'S PERFORMANCE IN THE IRAN/CONTRA MATTER. IN SHORT, SIGNIFICANT CHANGES HAVE BEEN MADE. I WOULD RESPECTFULLY SUBMIT THAT THEY SHOULD BE GIVEN A CHANCE TO WORK. I AM CONVINCED THAT THE CURRENT FRAMEWORK, AND NOT NEW LAWS, REPRESENTS THE MOST APPROPRIATE AND EFFECTIVE MEANS TO ACHIEVE OUR SHARED COMMITMENT TO HAVE CONGRESS PLAY AN ACTIVE, EFFECTIVE ROLE IN THE OVERSIGHT OF UNITED STATES INTELLIGENCE ACTIVITIES.

THIS CONCLUDES MY STATEMENT. I AM PREPARED TO ANSWER WHATEVER QUESTIONS YOU MAY HAVE ON OUR POSITION ON THIS BILL.